who had ordinarily resided in the State of Assam during the period 1.1.1980 to 15.8.1985.

(xviii) NSA detenues detained in connection with agitation were released.

Impact of international economic meltdown on Indian economy

†*123. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that due to international economic meltdown several Indian industries have started decreasing their production;

(b) if so, the details of such industries;

(c) whether these industries were requested to reduce prices of their products instead of decreasing or stopping production;

(d) if so, the reaction of the industries thereto; and

(e) the details of industries wherein measures have been taken by Government so far to reduce production cost?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) to (e) The international economic meltdown has affected the export oriented industries in India, such as textiles, handicrafts, leather, gems and jewellery etc. Slowdown in the demand for industries such as automobiles and its ancillaries, cement, steel, housing sector etc. has also been seen.

The Government closely interacts with the Industry and Trade Associations to address issues relating to industrial development, and monitors production and prices. The prices of industrial products and the level of production are determined primarily by the interplay of market forces.

A number of steps have been taken by the Government to stimulate the demand in the economy with the objective to address the impact of global financial crisis:

- **Reduction in Cenvat/Excise duty** : As an immediate measure to encourage additional spending, an across-the-board cut of 4% in the ad valorem CENVAT rate except petroleum.
- **Measures to Support Exports** : Several measures have been taken to support exporters such as:
  - — Interest subvention of 2% for pre and post shipment export credit for labour intensive industries such as textiles, handlooms, handicrafts, leather, Gems and jewellery, marine products and Small and Medium Enterprise sector.
  - — Additional funds of Rs. 1100 crore to ensure full refund of Terminal Excise duty/Central Sales Tax.

†Original notice of the question was received in Hindi.

— An additional allocation for export incentive schemes of Rs. 350 crore.

— Government back-up guarantee to Export Credit Guarantee Corporation (ECGC) to the extent of Rs.350 crore to enable it to provide guarantees for exports to difficult markets/products.

— Refund of service tax to exporters on foreign agent commissions of upto 10 percent of Freight On Board (FOB) value of exports.

- **Housing** : Refinance facility of Rs. 4000 crore for the National Housing Bank by RBI.
- **Micro Small & Medium Enterprise (MSME) Sector** : Refinance facility of Rs. 7000 crore for Small Industries Development Bank of India (SIDBI) by the Reserve Bank of India (RBI) to support MSMEs.
- **Textiles** : An additional allocation of Rs. 1400 crore to clear the entire backlog in Technology Upgradation Fund (TUF) Scheme.
- **Others** : (a) Government departments allowed to replace government vehicles within the allowed budget, in relaxation of extant economy instructions. (b) Elimination of Import Duty on Naphtha for use in the power sector. (c) Elimination of export duty on iron ore fines and reduction of duty to 5% for lumps.

In addition, Reserve Bank of India (RBI) has recently taken a number of steps to reduce the cost of credit and improve liquidity for industry by reducing Repo rate, Statutory Liquidity Ratio (SLR), Cash Reserve Ratio (CRR).

With the lowering of cost through reduction in interest rates and across the board cut of 4% in CENVAT rates, demand stimulus through lower prices has been made feasible.

Effect of Rupee instability on import and export

†*124. DR. MURLI MANOHAR JOSHI:
SHRI SHIVANAND TIWARI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that due to instability of Rupee *vis-a-vis* international currencies particularly, Dollar, Pound etc., the Indian Foreign Trade suffers losses from time-to-time;

(b) if so, the reaction of Government thereto; and

(c) the effect of said instability in the value of Rupee on Indian import and export in each of the financial years from 2004-05 to 2008-09?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) to (c) There is no clear-cut relationship between exchange rate volatility and trade flows. Exports are determined by a host of factors such as the productivity and international competitiveness, price

†Original notice of the question was received in Hindi.